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July 6, 2001

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Telergy Network Services, Inc.
Docket No. 00-00661

Dear Mr. Waddell:

In preparation for the upcoming Hearing scheduled on Wednesday, July 11, 2001 at 9:00AM, I am forwarding updated information for the TRA's review. Enclosed you will find the following documents:

- 1) Six (6) copies of Telergy's Fourth Quarter 2000 and First Quarter 2001 financials which are marked "CONFIDENTIAL AND PROPRIETARY" and submitted under Seal. We respectfully request that all information contained therein remain confidential and proprietary and disclosed only to staff members directly involved in this case. We further ask that all pleadings or other filings that incorporate, reference, or attach these documents or any portion thereof, be submitted under Seal.
- 2) Thirteen (13) copies of:
 - (a) Updated List of Officers and Directors;
 - (b) Change in Name, Location and Hours of Operation of Customer Service Department;
 - (c) Updated CPCN Authorizations; and
 - (d) Current Telergy Press Releases.

If you should require additional information or have any questions, please do not hesitate to contact me at (315) 362-2606. Thank you for your courteous assistance in this matter.

Very truly yours,

Karen M. Hawkins
Paralegal
Telergy Network Services, Inc.

cc: Mr. Daryll Whitis
Theresa Atkins, Esq.

TELERGY NETWORK SERVICES, INC.
 ONE TELERGY PARKWAY
 EAST SYRACUSE, NEW YORK 13057

OFFICERS and DIRECTORS

OFFICERS

Title	Name	Address
Chief Executive Officer	Brian P. Kelly	One Telergy Parkway, East Syracuse, NY 13057
President	J. Patrick Barrett	One Telergy Parkway, East Syracuse, NY 13057
Executive Vice President	Kevin J. Kelly	One Telergy Parkway, East Syracuse, NY 13057
Executive Vice President	William M. Kelly, Jr.	One Telergy Parkway, East Syracuse, NY 13057
Vice President & Secretary	Steven R. Rubin	One Telergy Parkway, East Syracuse, NY 13057
Vice President & Treasurer	Nicholas A. Merrick	One Telergy Parkway, East Syracuse, NY 13057

DIRECTORS

Name	Address	Expiration of Term
Brian P. Kelly	One Telergy Parkway, East Syracuse, NY 13057	None
Kevin J. Kelly	One Telergy Parkway, East Syracuse, NY 13057	None
William M. Kelly, Jr.	One Telergy Parkway, East Syracuse, NY 13057	None

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 EXECUTIVE SECRETARY

CHANGE IN NAME, LOCATION AND HOURS OF OPERATION
OF
CUSTOMER SERVICE DEPARTMENT

Telergy understands the importance of effective customer service for consumers. Telergy has made arrangements for its customers to call the Company at its toll-free Business Service Center number Monday through Friday 9:00 AM to 5:00 PM. The toll-free number will be printed on the customers' monthly billing statements. Customers may contact the company in writing at:

Telergy Business Service Center
6500 New Venture Gear Drive
East Syracuse, NY 13057
Telephone: 1-800-889-6716

UPDATED CPCN AUTHORIZATIONS

In further support of Telergy's technical qualifications, Telergy has pending Applications for competitive local exchange and interexchange-services in the following States: Alaska, Arkansas, Idaho, Maine, Maryland, Tennessee and Utah.. All are awaiting Commission review at this time.

Telergy has certificate authority for all forms of telecommunications services in New York, New Jersey and Rhode Island and is currently providing services in those States.

Telergy also has certificate authority in Alabama (all forms), Arizona (all forms), California (resale), Colorado (all forms), Connecticut (resale), Delaware (all forms), District of Columbia (resale and facilities-based service), Florida (all forms), Georgia (long distance), Hawaii (all forms), Illinois (all forms), Indiana (local resale), Iowa (all forms), Kansas (all forms), Kentucky (resale), Louisiana (all forms), Massachusetts (resale), Michigan (local), Minnesota (all forms), Missouri (long distance), Montana (all forms), Nebraska (all forms), Nevada (resale), New Hampshire (all forms), New Mexico (long distance), North Carolina (all forms), North Dakota (resale), Ohio (all forms), Oklahoma (all forms), Oregon (all forms), Pennsylvania (all forms except Competitive Access Provider, or CAP), South Carolina (all forms), South Dakota (all forms), Texas(all forms), Vermont (all forms), Virginia (all forms), Washington (all forms), West Virginia (resale services), Wisconsin (all forms) and Wyoming (long distance).

Telergy has never been denied authority to offer competitive local exchange service or interexchange service.

PUBLIC SERVICE COMMISSION ORDER INSURES COMPLETION OF TELERGY'S NEW YORK CITY NETWORK

"Commissioners to monitor process"

EAST SYRACUSE, NY (June 25, 2001) In unprecedented orders released by the Public Service Commission on Friday, June 21st, two Public Service Commissioners have been appointed as watchdogs over Con Edison to ensure that Telergy's network in New York City is promptly completed. This network includes a priority ring in the financial district of New York City, where, for the past three years, Telergy has been constructing the only truly redundant network using the Con Edison right-of-way. When completed, Telergy will be the first carrier that will be able to provide complete diversity and redundancy to the financial and commercial businesses that are heavily dependent on telecommunications services.

In addressing Telergy petitions about Con Edison delays and attempts to confer unfair advantages on its affiliate, the Public Service Commission has directed Con Edison to devote 75% of its available construction resources to the completion of Telergy's network. Under the commission order, if Con Edison does not meet the construction milestones to be established by the Commissioners the resources assigned to Telergy can increase to 100% of those available and Con Edison will "...face appropriate penalty/enforcement actions."

"These Commission orders will finally allow Telergy to bring true facilities-based competition to the largest telecommunications market in the world – the City of New York. The allocation by the Commission of 75% of all Con Edison resources to Telergy, has ensured that Con Edison's affiliate Con Edison Communications will be unable to obtain any advantage, and Telergy has been restored to its position of being the first carrier to complete a network in Con Edison's system" said Brian Kelly, Chief Executive Officer of Telergy.

For more information contact Tim Carroll at Telergy (315) 362-2640



Telergy's Leading Edge Network Available for Southern Tier Business



- Telergy steps up marketing in Cortland, Binghamton, Ithaca, Elmira and Corning.
- New relationship with ITS Communications also extends sales reach.

Syracuse, NY (May 24, 2001) -- Southern Tier customers seeking business communications or private network solutions now have access to a next generation provider of telecom services.

Telergy, a leading provider of integrated communications and managed optical services, today announced it will begin marketing its business communications in Cortland, Binghamton, Ithaca, Elmira and Corning. "We've completed work that allows us to offer business customers a high-speed fiber optic alternative to the traditional telephone network," said Brian Kelly, CEO of Syracuse-based Telergy.

Telergy also announced a new marketing relationship with ITS Communications, an established leader in the region for telecommunications equipment and services. ITS Communications sales staff will begin offering Telergy voice and data services to existing ITS customers throughout the Southern Tier.

"The ITS team will augment our existing sales force and give us an experienced and respected sales partner in the region," said Kelly.

Telergy's fiber optic network will soon cover 2,900 route miles in the Northeastern US. Approximately 100 miles of that route travels through key areas of the Southern Tier, primarily along the rights of way of Energy East, a utility Telergy partnered with in 1999.

"Telergy's network and our local presence is a powerful new combination for business customers in the Southern Tier," said Herbert Griffith III, President of ITS Communications. "We're excited about talking to businesses in this area about the voice and data services we can now bring to their doorstep over the Telergy network."

Telergy's relationship with Energy East also provides critical "last mile" access to customers looking for private network solutions. These customers, like financial, healthcare and educational institutions, increasingly are turning to Telergy to construct wide area networks linking multiple facilities over a high-speed fiber network.

In addition to private networks, Telergy also will market its full range of communications services to medium and large business customers. Offerings include low cost local and long distance voice services and high-speed internet access, as well as enhanced data and video services.

"Together with ITS Communications, we're pleased to offer businesses

next generation telecom services," said Kelly. "We look forward to demonstrating the Telergy advantage and delivering the bandwidth Southern Tier businesses need for today's applications."

Southern Tier customers selecting Telergy will be riding one of the industry's most reliable networks. Because the Telergy network is built in utility rights-of-way rather than traditional telecom routes, it is physically diverse and more secure and reliable. Service is monitored from Telergy's state of the art Network Operations Center in East Syracuse. The facility incorporates industry-leading technology to assure the integrity of communications riding over the entire Telergy system.

About Telergy

Founded and headquartered in Syracuse, New York, Telergy in 1995 began deploying advanced high-speed fiber-optic networks along utility rights-of-way with the purpose of providing advanced telecommunications services. Its relationships with Niagara Mohawk, NYSEG, Consolidated Edison, GPU, El Paso Global Networks and certain National Grid electric subsidiaries have allowed Telergy to secure contiguous comprehensive end-to-end rights-of-way in the Northeastern United States along utility rights-of-way. By the second quarter of 2001, Telergy expects to have a network that is comprised of over 2,900 miles stretching from Montreal Canada to New York, New Jersey and Pennsylvania, including routes from Buffalo to Albany and New York City.

About ITS Communications

ITS Communications Corporation of Endicott, NY is a locally owned and operated company specializing in the design, installations and maintenance of a wide range of telecommunications related products and services. Founded in 1975 by Herbert L. Griffith, Jr., ITS provides top quality communications hardware and software solutions to businesses, schools, hospitals, churches and other organizations throughout the Southern Tier of New York and the Northern Tier of Pennsylvania. The ITS team of communications professionals is experienced in every facet of voice, data, video, and sound communications.

Contacts

Telergy: Tim Carroll 315 362-2640, email: tcarroll@telergy.net
ITS: Herbert Griffith III





Utica College Turns to Telergy for Voice and Data Services; Telergy will also Provide Student Billing Service



Telergy now serves Utica College with local, LD and Internet services

Syracuse, NY (June 5, 2001) -- Telergy, a leading provider of integrated communications and managed optical services, has been selected to deliver voice and data services to Utica College, a private four-year college in Upstate New York.

As of June 1, Telergy is providing local, long distance, Internet and student billing services to the college's faculty, staff and on-campus students.

"Telergy continues to emerge as the provider of choice for educational institutions," said Brian Kelly, Telergy CEO. "Telergy's suite of integrated services provided over its state of the art network is a winning formula for colleges and universities that we will replicate throughout the Telergy footprint."

Under terms of the multi-year deal Telergy, based in Syracuse, NY, will provide service to more than 1,500 phone lines at Utica College.

This summer Utica College students scheduled to live on campus for the fall semester will receive information at their homes indicating how they can access Telergy's services.

By the end of the second quarter, Telergy will have a 2,900 route mile fiber network in the Northeastern US and Canada. This leading-edge, robust network, combined with critical "last mile" rights through agreements with multiple electric utilities in the region, is a key reason customers are turning to Telergy for communications solutions.

Telergy's Education/Healthcare Sales Unit has added more than 100 educational institutions and hospitals to the Telergy roster in the last 18 months alone. "The education market is a key area of growth at Telergy," said Kelly. "The addition of the student billing service allows us to compete for both segments of the higher education market - colleges who bill telecom services in-house, and those who outsource student billing."

About Telergy

Founded and headquartered in Syracuse, New York, Telergy in 1995 began deploying advanced high-speed fiber-optic networks along utility rights-of-way with the purpose of bundling advanced telecommunications and energy services. Its relationships and partnerships with Niagara Mohawk, NYSEG, Consolidated Edison, GPU, El Paso Global Networks and certain National Grid electric subsidiaries have allowed Telergy to secure contiguous comprehensive end-to-end rights-of-way in the Northeastern United States along utility rights-of-way. By the second quarter of 2001, Telergy expects to have a network that is composed of over 2,900 miles stretching from Montreal

...from which is composed of over 2,000 miles stretching from Montreal, Canada to New York, New Jersey, Pennsylvania and the District of Columbia. More information is available at the company's web site at www.telergy.net

Contacts:

Telergy: Tim Carroll 315.362.2640

Email tc Carroll@telergy.net

Utica College: Kelly Adams, Coordinator of Media Relations
315.792.3315





Telergy wins multi-million dollar contract for voice services in 31 school districts across Central New York



BOCES led effort will help school districts save up to 25 percent on local and long distance

Syracuse, NY (May 24, 2001) -- Telergy, a leading provider of integrated communications and managed optical solutions, will soon be providing lower cost long distance services to 31 school districts in Central New York, helping educators cut up to 25 percent off previous bills.

Telergy won the long distance account after a bid process coordinated by Onondaga Cortland Madison BOCES. OCM BOCES delivers a variety of shared services to school districts in the region. As part of a long-range plan to increase the communications capabilities of those districts, OCM BOCES aggregated the contracts of individual school districts to increase buying power and generate savings.

Telergy will begin providing the long distance services to the school districts in July. Combined with a similar OCM BOCES bid Telergy won last year for local phone service, Telergy will be delivering local and long distance services worth nearly \$7 million to school districts in Central New York over the next five years.

Telergy's local service plan for OCM BOCES covers 150 facilities in 21 school districts. The average district has cut its local phone bill by 25 percent with the change to Telergy. Districts using Telergy's long distance service can also expect to save 25 percent over previous rates.

"One goal of OCM BOCES has been to form a consortium to allow individual districts to realize the savings available in this new era of competition for communications services," said Larry Dismore, Director of the Regional Information Center for OCM BOCES. "Reducing local and long distance costs is one step in our multi-phase approach to increase the communications capabilities of the districts so they can better serve students in the exciting days ahead."

"We're pleased to work with OCM BOCES because we feel they are visionaries in providing advanced high-speed network applications for their educators which will greatly enhance the way we learn and communicate," said Brian Kelly, CEO of Telergy. "We are equally as pleased that together we have been able to provide cost savings of up to 25 percent on their existing local and long distance services. Our objectives of being able to reduce costs while providing more advanced services is finally being realized. We look forward to working with OCM BOCES to put forth the full resources of Telergy's OpticalNet, devising new ways for educators to enhance their growing needs and requirements."

For example, Telergy last year won a portion of another BOCES bid to construct fiber optic connections between various high schools and the

BOCES Regional Information Center (RIC) on Thompson Road. That private network is intended to allow centralized access to the RIC for video storage, distance learning and an on-net voice network. Several communications firms including Telergy are constructing links in that system. For its part, Telergy will provide six links in the network, a contract valued at \$540,000 over five years.

Across New York State, Telergy provides services to more than 100 school districts and universities. Services range from voice offerings to enhanced data services including private fiber optic networks connecting multiple school facilities.

"We've developed a talented team that understands the particular needs of educators and can help districts maximize state and federal funding now available for enhanced communications," said John Devendorf, Director of Education and Healthcare Markets for Telergy. "Kurt Frenzel and the entire team have developed a model of success in Central New York that Telergy can build on as we continue to talk to educators in New York and the Northeast."

About Telergy

Founded and headquartered in Syracuse, New York, Telergy in 1995 began deploying advanced high-speed fiber-optic networks along utility rights-of-way with the purpose of bundling advanced telecommunications and energy services. Its relationships and partnerships with Niagara Mohawk, NYSEG, Consolidated Edison, GPU, El Paso Global Networks and certain National Grid electric subsidiaries have allowed Telergy to secure contiguous comprehensive end-to-end rights-of-way in the Northeastern United States along utility rights-of-way. By the second quarter of 2001, Telergy expects to have a network that is composed of over 2,900 miles stretching from Montreal Canada to New York, New Jersey, Pennsylvania and the District of Columbia. More information is available at the company's web site at www.telergy.net

Contacts

Telergy, Tim Carroll 315 362-2640
OCM BOCES, Larry Dismore 433-8301





➤ Telergy Achieves Second Consecutive Record Quarter



***\$175 Million in New Contracts over 6 Months "generates" \$102 million cash
2,700 Mile Fiber Optic Network Nears Completion***

Syracuse, NY (April 11, 2001) - Telergy, Inc., a privately-owned developer of high-speed fiber-optic networks and provider of bundled broadband services in the Northeastern U.S., today announced that it successfully secured \$62 million in contracted revenues during the first quarter of 2001 -- a 332% increase over the same period a year earlier. According to the Company, its total of \$175 million in new contracts in the last two quarters has produced \$102 million in cash received over the last four months.

The Company also said that, during the current quarter, it expects to meet its goal of completing a 2,700-mile fiber-optic network web serving North America's most population-dense corridor - stretching from Montreal through New York, New Jersey, Pennsylvania and on to Washington, D.C. Telergy deploys its networks along utility rights-of-way.

The recent growth in Telergy's revenues -- contracted and in-cash -- results from several "dark fiber" agreements with major telecommunications companies, along with carrier wholesale revenues. In addition, the Company has generated \$291 million in backlog revenues from private networks designed for "enterprise customers" - major corporations and public institutions. These include one of Wall Street's largest investment banking firms and a large group of educational institutions. Also, the Company was awarded major contracts for Phases I, II and III to provide a high-speed sonet-based data network for the New York State Unified Court System, and is delivering an advanced gigabit ethernet network in the greater Albany area.

"The results over the last two quarters have been a tremendous accomplishment for our Company with the difficult market conditions the technology sector has faced. It is ironic, but this has actually fueled tremendous growth opportunity for Telergy" said Brian Kelly, CEO. "In fact, the difficult market conditions are helping to clear the field, while we maintain our focus and take advantage of our unique positioning. The Northeast region is the nation's most heavily-used corridor and our last-mile assets and fiber-rich networks have contributed a great deal to our most recent success.

"The execution of our business plan and the vision this company has put forth has never varied," added J. Patrick Barrett, Telergy President. "As many corporations in our sector re-evaluate their businesses, we find it extremely positive to know that our plan appears to be right on target. With the shakeout in the telecommunications sector, we believe our company is well positioned to take advantage of the changing market conditions. We anticipate being rewarded for the patient long-

market conditions. We anticipate being rewarded for the patient long term strategy we have worked so diligently to put in place."

About Telergy

Founded and headquartered in Syracuse, New York, Telergy in 1995 began deploying a broadband high-speed fiber-optic network along utility rights-of-way with the purpose of achieving end-to-end last-mile connectivity for bundling our advanced telecommunications and data services. Its relationships and partnerships with Niagara Mohawk, NYSEG, Consolidated Edison, GPU, El Paso Global Networks and certain National Grid electric subsidiaries have allowed Telergy to secure contiguous comprehensive end-to-end rights-of-way in the Northeastern United States along utility rights-of-way. By the second quarter of 2001, Telergy expects to have a network that is comprised of over 2,700 miles stretching from Montreal Canada to New York, New Jersey, Pennsylvania and the District of Columbia.

Contacts:

Media: Tim Carroll (315) 362-2640 or carrollt@telergy.net





Commitment to Quality Customer Service Earns Praise for Telergy



Prompt customer service and attention to detail are paying off for Telergy. Telergy was recently notified that it made the "A" list for telecom companies commended for service by the New York State Public Service Commission.

A letter to Brian Kelly from the PSC indicated that "At its session of April 25, 2001, the Commission noted the excellent level of service provided to consumers by your company and its employees during 2000."

In a news release announcing the companies that made the list, Maureen O. Helmer, Chairman of the Commission said, "Good telephone service quality is important not only to New York's consumers, but also to our economy, and the Commission is committed to ensuring telephone companies provide a high level of service. The companies cited today deserve praise for their efforts to meet and exceed their customers' expectations."

According to the PSC, its commendations for excellent service are based on telephone companies' performance in relation to service quality standards established by the Commission. The criteria to measure the condition of each company's infrastructure includes an evaluation of customer trouble report rates (CTRR) and the number of consumer complaints received by the Commission. The commendations also are based on a new requirement that any company operating under an incentive regulatory plan must have no incidence of service related penalties for CTRR or complaints during the year.

"This affirms what we have been saying for some time--that both our people and our service are world class," said Brian Kelly. "As Telergy leads the way in providing real competition in the telecommunications marketplace, we're proud to establish a reputation right up front for customer service. We're extremely grateful the PSC has recognized the professional members of the Telergy Customer Service team who are committed to meeting and exceeding our customers expectations. We chose to build our own customer service team just as we chose to build our own network. In the new telecommunications market, many new entrants are handing off customer service to third party vendors. We're finding customers like a more personal and professional approach, and the results speak for themselves. Congratulations to everyone for making this designation possible."

Absent from the list of companies are several major competitors, a fact that was not lost on Vice President of Sales Barry Vaughn. "Every competitor in the market place promises customers they'll provide great service--but the key is, are they really delivering? This list provides concrete, unbiased evidence that Telergy is delivering top-notch service to its customers," said Vaughn. Everyone on the Telergy team has a role in helping us win more business by maintaining and continuously improving the service we deliver to our customers."

